



31 Pratt Street, 5th Floor
Hartford, CT 06103
tel (860) 525-4451
fax (860) 293-2592

STATEMENT

**In support of
Senate Bill 677 - An Act Establishing Tax Incremental Financing Districts**

**Connecticut General Assembly
Planning and Development Committee
March 6, 2015**

The MetroHartford Alliance serves as the region's economic development leader and the City of Hartford's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, arts and higher education institutions as well as the municipalities of North Central Connecticut. Our mission is to ensure that the region competes aggressively and successfully for jobs, capital, and talent so that it thrives as one of the country's premier places for all people to live, play, work, and raise a family.

The Alliance offers this statement in support of Senate Bill 677, "An Act Establishing Tax Increment Financing Districts." Tax Increment Financing (TIF) is a financing mechanism that uses the future value of an improved property to pay for the current costs of those improvements. TIF is widely used across the country as a successful tool to spur development, redevelopment and infrastructure investment. While TIF is currently permitted in Connecticut, it is underused as a means by which municipalities can encourage growth and investment in their communities. Underutilization of Connecticut's TIF law helps to perpetuate vacant and underused space in our cities and towns, properties that could be significantly enhanced and used for businesses, housing, and other purposes. Importantly, effective use of TIF can help to encourage smart growth, transit oriented development, and preserve historic or culturally significant properties.

Currently, the use of TIF laws in Connecticut is hampered by a complicated approval mechanism, the inability to create a TIF district, limits to the types of eligible projects, and restrictions on the usage of bonds. Connecticut's TIF law can be improved to help this innovative development tool be used to its full potential and S.B. 677 will help to bring about those changes by:

- Allowing for the creation of TIF districts
- Enabling municipalities to use all or part of TIF revenues for projects within a TIF district
- Lowering overall financing costs by allowing municipalities to issue general obligation bonds for projects within a TIF district
- Allowing municipalities to customize their investments by determining what types of projects and costs can be paid with TIF revenues.

The improvement of Connecticut's TIF laws will offer municipalities new opportunities for expanded development and redevelopment. As an innovative financing tool, TIF can give our cities and towns improved resources to make their communities attractive places to live, play, work, and raise a family.

We appreciate the opportunity to submit this testimony and encourage the members of the Planning and Development Committee to support Senate Bill 677.